

Rates & Premium*

Basic Life and AD&D Ultra*

Benefit Name	Lives	Rate	Volume	Monthly Premium
Basic and Retiree Life	388	\$0.140/\$1,000	\$15,969,962	\$2,235.79
Basic AD&D Ultra	354	\$0.030/\$1,000	\$15,260,762	\$534

Optional Life and Optional AD&D Ultra*

Benefit Name	Age Bands	Lives	Rate	Volume	Monthly Premium
Optional Life Employee	0 - 19	-	\$0.067/\$1,000	\$0	\$0.00
	20 - 24	4	\$0.067/\$1,000	\$316,800	\$21.23
	25 - 29	20	\$0.067/\$1,000	\$1,821,600	\$122.05
	30 - 34	20	\$0.076/\$1,000	\$1,821,600	\$138.44
	35 - 39	22	\$0.095/\$1,000	\$1,980,000	\$188.10
	40 - 44	29	\$0.152/\$1,000	\$2,574,000	\$391.25
	45 - 49	22	\$0.257/\$1,000	\$1,980,000	\$508.86
	50 - 54	18	\$0.428/\$1,000	\$1,623,600	\$694.90
	55 - 59	13	\$0.665/\$1,000	\$1,148,400	\$763.69
	60 - 64	7	\$1.036/\$1,000	\$633,600	\$656.41
	65 - 69	0	\$1.853/\$1,000	\$13,860	\$25.68
	70 - 74	1	\$3.325/\$1,000	\$43,560	\$144.84
	75 +		\$5.482/\$1,000	\$0	\$0.00

Aetna bills Optional Life Insurance on an age graded basis. It is expected that employee deductions will be taken based on these rates and aggregate insured volume will be reported monthly for each 5-year age bracket. The proposed rates may be subject to imputed income under Section 79 of the Internal Revenue Code. Please consult your tax counsel on this matter.

Rates & Premium*

Dependent Life*

Benefit Name	Lives	Rate	Volume	Monthly Premium
Dependent Spouse/Child	153	\$0.71 per unit	\$762,750	\$109
Opt Dep Life Child	53	\$0.100/\$1,000	\$955,800	\$96

Benefit Name	Age Bands	Lives	Rate	Volume	Monthly Premium
Optional Life Spouse	0 - 19	1	\$0.089/\$1,000	\$16,500	\$1.47
	20 - 24	7	\$0.089/\$1,000	\$239,250	\$21.29
	25 - 29	10	\$0.089/\$1,000	\$321,750	\$28.64
	30 - 34	12	\$0.101/\$1,000	\$396,000	\$40.00
	35 - 39	18	\$0.124/\$1,000	\$577,500	\$71.61
	40 - 44	10	\$0.190/\$1,000	\$313,500	\$59.57
	45 - 49	13	\$0.325/\$1,000	\$420,750	\$136.74
	50 - 54	8	\$0.538/\$1,000	\$255,750	\$137.59
	55 - 59	8	\$0.840/\$1,000	\$255,750	\$214.83
	60 - 64	3	\$1.311/\$1,000	\$90,750	\$118.97
	65 - 69	1	\$2.352/\$1,000	\$5,775	\$13.58
	70 - 74	1	\$2.352/\$1,000	\$9,075	\$21.34
	75 +		\$2.352/\$1,000	\$0	\$0.00

Rates & Premium*

Portability

Employee Portable Term Pool Rates (PW 60)	Attained Ages	Non-smoker Base Rate	Smoker Base Rate
	< 30	\$0.082/\$1,000	\$0.133/\$1,000
	30 – 34	\$0.102/\$1,000	\$0.160/\$1,000
	35 – 39	\$0.133/\$1,000	\$0.215/\$1,000
	40 – 44	\$0.205/\$1,000	\$0.325/\$1,000
	45 – 49	\$0.350/\$1,000	\$0.560/\$1,000
	50 – 54	\$0.584/\$1,000	\$0.925/\$1,000
	55 – 59	\$0.931/\$1,000	\$1.475/\$1,000
	60 – 64	\$1.154/\$1,000	\$2.025/\$1,000
	65 – 69	\$1.998/\$1,000	\$3.513/\$1,000
	70 – 74	\$3.512/\$1,000	\$6.163/\$1,000
	75 – 79	\$6.149/\$1,000	\$10.788/\$1,000
	80 – 84	\$10.764/\$1,000	\$18.875/\$1,000
85 – 89	\$18.839/\$1,000	\$33.038/\$1,000	
90 – 94	\$32.970/\$1,000	\$57.813/\$1,000	
95 – 99	\$57.701/\$1,000	\$101.175/\$1,000	
Accidental Death Rider	<70	\$0.04/\$1,000	\$0.04/\$1,000
Spouse Portable Term Pool Rates (Without Waiver 60)	Attained Ages	Non-smoker Base Rate	Smoker Base Rate
	Under 30	\$0.072/\$1,000	\$0.123/\$1,000
	30 – 34	\$0.082/\$1,000	\$0.140/\$1,000
	35 – 39	\$0.113/\$1,000	\$0.195/\$1,000
	40 – 44	\$0.165/\$1,000	\$0.285/\$1,000
	45 – 49	\$0.290/\$1,000	\$0.500/\$1,000
	50 – 54	\$0.464/\$1,000	\$0.805/\$1,000
	55 – 59	\$0.731/\$1,000	\$1.275/\$1,000
	60 – 64	\$1.154/\$1,000	\$2.025/\$1,000
	65 – 69	\$1.998/\$1,000	\$3.513/\$1,000
	70 – 74	\$3.512/\$1,000	\$6.613/\$1,000
	75 – 79	\$6.149/\$1,000	\$10.788/\$1,000
	80 – 84	\$10.764/\$1,000	\$18.875/\$1,000
85 – 89	\$18.839/\$1,000	\$33.038/\$1,000	
90 – 94	\$32.970/\$1,000	\$57.813/\$1,000	
95 – 99	\$57.701/\$1,000	\$101.175/\$1,000	
Child	N/A	\$0.20/\$1,000	\$0.20/\$1,000
Accidental Death Rider		Not Available	Not Available

* A census with final enrollments should be submitted to Aetna prior to the effective date; however, it must be provided no later than 30 days after the enrollment date. The final rates may be subject to change based on our review of the enrolled status.

Product Related Services

Basic and Optional Life Insurance

Plan Features	Class 1, 3, and 4 All Other Full-Time Employees	Class 2 and 5 Full-Time Commissioners Employees
Eligibility Waiting Period	30 Days	30 Days
Minimum Hours/Week	20	20
Basic Life	1 times the employee's basic annual earnings to a maximum of \$100,000	\$20,000
Retiree Basic Life	50% Age 50 and insured prior to 7/1/2003	50% Age 50, 20 years of service and insured prior to 7/1/2003
Optional Life (employees must purchase Optional Life in order to purchase Optional Dependent Life)	\$10,000 increments subject to a maximum of the lesser of 5x earnings or \$500,000	\$10,000 increments subject to a maximum of the lesser of 5x earnings or \$500,000
Basic Dependent Life	Spouse: \$2,500 Child(ren): 14 days to age 19/25 if full time student: \$2,500	Spouse: \$2,500 Child(ren): 14 days to age 19/25 if full time student: \$2,500 \$2,500
Optional Dependent Life	Spouse: \$5,000; to a maximum of \$100,000 (Not to exceed 100% of employee's basic and Optional amount) Child(ren): 14 days to age 19/25 if full time student: \$2,000; to a maximum of \$10,000 (Not to exceed 100% of employee's basic and Optional amount)	Spouse: \$5,000; to a maximum of \$100,000 (Not to exceed 100% of employee's basic and Optional amount) Child(ren): 14 days to age 19/25 if full time student: \$2,000; to a maximum of \$10,000 (Not to exceed 100% of employee's basic and Optional amount)
Overall Plan Maximum	\$600,000	\$20,000
Age Reduction Rule	Actives: to 65% @ Age 65, to 45% @ Age 70, to 30% @ Age 70, to 20% @ Age 80, to 15% @ Age 85, to 10% @ Age 90 Retires: to 85% @ Age 65 then reduces to \$1,000 on 70 th birthday	Actives: to 65% @ Age 65, to 45% @ Age 70, to 30% @ Age 70, to 20% @ Age 80, to 15% @ Age 85, to 10% @ Age 90 Retires: to 85% @ Age 65 then reduces to \$1,000 on 70 th birthday
Basic Life Guarantee Issue*	\$100,000	\$20,000
Optional Guarantee Issue*	\$100,000	\$100,000
Dependent Guarantee Issue*	Spouse: \$2,500 Child: \$2,500	Spouse: \$2,500 Child: \$2,500
Optional Dependent Guarantee Issue*	Spouse: \$50,000 Child: \$10,000	Spouse: \$50,000 Child: \$10,000
Disability Provision (for active employees only; upon qualifying, all AD&D Ultra and Dependent Life Insurance ends)	PW 60/SSNRA	PW 60/SSNRA
Accelerated Death Benefit	Included	Included
Portability	Optional + Basic	Optional + Basic

***Refer to the Quote Assumptions section for more details



Product Related Services

Basic AD&D Ultra

Plan Features	Full-Time Employees	Full-Time Employees
Eligibility Waiting Period	30 Days	30 Days
Minimum Hours/Week	20	20
Basic AD&D Ultra	Equal to Basic Life Insurance	Equal to Basic Life Insurance
Overall Plan Maximum	\$100,000	\$20,000
Portability	Employees porting Basic or Optional Life will have the opportunity to purchase an Accidental Death Rider equal to the converted life amount	Employees porting Basic or Optional Life will have the opportunity to purchase an Accidental Death Rider equal to the converted life amount

Product Related Services

Life Insurance

<p>Basic and Optional Life – Standard Product Features****</p> <p>(Please refer to the Quote Assumptions section for additional information regarding standard product features)</p>	<ul style="list-style-type: none"> ➤ Benefit Amount: Paid to the beneficiary of the employee if the employee dies while insured. The beneficiary can be changed at anytime. Should the employee die without a named beneficiary or should all beneficiaries predecease the employee, the benefit will be paid to the employee’s next of kin or to the estate of the employee based on contract language. ➤ Benefit Exclusions: None for basic life. A two year suicide exclusion applies to the optional life benefit. ➤ Premium Waiver: With this provision, Aetna determines if the employee is permanently and totally disabled. If yes, the employee’s coverage may be continued without premium payments until the earlier of the date the employee reaches the amended 1983 Social Security Retirement Age or their date of retires (Standard Option). ➤ Death Benefit Only - Aetna Investigates Disability (DBO-AID): With this provision, Aetna determines if the employee is permanently and totally disabled. If yes, the employee’s coverage may be continued with premium payments until the earlier of the date the employee reaches the amended 1983 Social Security Retirement Age or their date of retires. ➤ Death Benefit Only: With this provision, the employer determines which employees are eligible to have their coverage extended as a permanently and totally disabled employee. If the employee is determined to be permanently and totally disabled, coverage may continue, with premium up to age 65 unless stopped by the employer sooner. ➤ Age Reduction Rule: Once active employees reach the age of i.e., 65 or 70, the basic and optional employee life benefit will begin to reduce according to the plan design. ➤ Accelerated Death Benefit: If the employee is diagnosed with a terminal illness and has 24 or fewer months to live, or, suffers from a severe medical condition, the employee may request a portion of their basic life benefit in advance of death. ➤ Conversion Privilege: Provides employees with the opportunity to convert their life insurance to an individual, whole life policy, when coverage ends due to termination of employment, or it ends or is reduced because of the plan’s age, retirement or disability reduction rules that may be in effect for the life insurance.
<p>Basic and/or Optional Life – Optional Product Features****</p> <p>(Please refer to the Quote Assumptions section for additional information regarding optional product features)</p>	<ul style="list-style-type: none"> ➤ Portability: When coverage ends due to termination of employment, or, the employee no longer belongs to a class of employees who are eligible for the coverage, the employee may port their coverage provided coverage doesn’t end due to illness or injury. ➤ Continuation: Available to employers wishing to continue life (and AD&D) coverage for employees who have been placed on severance. After continuation ends, conversion and portability (if included) will be available to the former employee. ➤ Retiree Life: Available to employers wishing to extend the employee’s life benefit beyond their active working years.
<p>Basic and/or Option Dependent Life – Standard Product Features</p> <p>(Please refer to the Quote Assumptions section for additional information regarding standard and optional product features for dependent life)</p>	<ul style="list-style-type: none"> ➤ Benefit Amount: Paid to the employee if a dependent dies while insured. ➤ Benefit Exclusions: Excludes newborn children for the first 14 days of life. Excludes dependents that are in full-time active military duty. Excludes coverage for dependent that are confined at home or elsewhere due to a medical/health condition until the dependent has been confinement free for 30 days in a row. Includes a two year suicide exclusion. ➤ Accelerated Death Benefit: If a dependent spouse (or domestic partner if included) is diagnosed with a terminal illness and has 24 or fewer months to live, or, suffers from a severe medical condition, the employee may request that a portion of the dependent’s life benefit amount be paid in advance of death.

AD&D Ultra



Product Related Services

Basic AD&D Ultra – Standard Product Features****

(Please refer to the Quote Assumptions section for additional information regarding standard and optional product features)

- **Benefit Amount:** Paid to the beneficiary of the employee if the employee dies within 365 days of a covered accident. Non-death benefits are paid to the employee.
- **Covered Losses Recognized:** Loss of life (including exposure and disappearance); loss due to the severance of a hand, foot or thumb and index finger on the same hand; loss of sight, speech or hearing, loss of use of a limb due to paralysis, third degree burns and coma.
- **Passenger Restraint Benefit:** If the employee suffers a loss of life as a direct result of a motor vehicle accident and the insured is properly using a passenger restraint and (if the driver) is properly licensed, a benefit will be payable. If an airbag is activated as a result of the same accident, an additional benefit will be payable.
- **Education Benefit:** If the employee suffers a loss of life as a direct result of an accident, an education benefit will be payable on behalf of each dependent child and/or a surviving spouse for a maximum of 4 years from the date of death, with verification of continued enrollment once the child has graduated from high school. **If the child has not yet completed their senior year of high school, we'll automatically make a payment on behalf of the child/ren.**
- **Child Care Benefit:** If the employee suffers a loss of life as a direct result of an accident, a child care benefit will be payable to cover expenses associated with the dependent child's enrollment in a legally licensed child care center for a maximum of 4 years from the date of death.
- **Repatriation of Remains Benefit:** If the employee suffers a loss of life as a direct result of an accident while 200 or more miles from home, a benefit will be payable for the preparation and transportation of the body to a hometown mortuary.
- **Total Disability Benefit:** If the employee becomes permanently and totally disabled as a result of a covered accident, this benefit will allow for the payment of the employee's Principal Sum to be made to their beneficiary if they die after the 365 day covered loss period ends provided premium payments continue to be made for the employee's AD&D Ultra coverage.
- **Benefit Exclusions:** Please refer to the Quote Assumptions section for a listing of the standard exclusions that apply to AD&D Ultra coverage.
- **Conversion:** Conversion is not available standalone; however, if the employee elects to convert their Basic and/or Optional Life Insurance, they'll be given an opportunity to purchase an equal amount of AD&D coverage as a rider to the individual whole life policy if they were covered for AD&D Ultra when their life insurance ended.
- **AXA Travel Assistance Program:** Provides emergency travel assistance services, 24-hours a day for person traveling more than 100 miles from home. Includes emergency medical services, emergency medical evacuation and repatriation, coordinated hospital admissions and discharge planning, family transportation and escort services, help with lost documents, legal assistance and cash advances and other emergency travel related services.

Basic and/or Optional AD&D Ultra Features – Optional Product Features****

- **Double Indemnity on a Common Carrier Benefit:** Pays an additional benefit if loss of life occurs as a direct result of an accident while boarding, alighting from, or traveling in a licensed public conveyance for which a charge is made. The standard benefit provides for 100% of the employee's or covered dependent's principal sum to a maximum of \$250,000.

Product Related Services

If requested, \$0.005 per \$1,000 of Principal Sum coverage will be added to the Basic or Optional AD&D Ultra

- **Enhanced Personal Protection Package:** The Enhanced Person Protection Package is a bundled package consisting of the following four benefits:
 - **Adaptive Home and Vehicle Benefit:** Pays a benefit to help the insured alter their principal place of residence and/or their personal motor vehicle to render them accessible and useable when the person suffers a loss resulting from severance or paralysis.
 - **Medical Coverage Funding Benefit:** If the spouse (or domestic partner if included) of the employee elects COBRA medical continuation through Town of Mooreville, a benefit will be paid to help offset the cost for COBRA continuation.
 - **Monthly Hospital Benefit:** Pays an additional benefit if the employee or their spouse (or domestic partner if included) is confined in a hospital for more than 30 days in a row following a covered accident.
 - **Rehabilitation Training Benefit:** Pays a benefit for rehabilitation training expenses that are not covered by the insured's medical or disability coverage when the training is designed to help the person return to active work.

Costs for any of these additional benefit features will be priced for if requested

- **Therapeutic Counseling Benefit:** Pays a benefit for expenses not covered by insurance for a person who incurs therapeutic counseling to help the person cope with their own loss or the loss of a dependent.
- **Family Income Coverage Benefit:** Will pay a monthly benefit to the spouse, (or domestic partner if included) or to the surviving dependent children if the employee dies in a covered accident.
- **Occupational AIDS/HIV Benefit:** If an employee suffers a bodily injury caused by an accident during the course of their employment, and if, as a result of that accident the person receives a blood transfusion, a benefit will be payable if within 365 days of the accident and as a direct result of the blood transfusion tests positive for the HIV virus or AIDS.
- **Organ and Tissue Donation Benefit:** In the event the employee or their spouse (or domestic partner if included) this benefit will pay a flat sum to the deceased's beneficiary if at the time of the person's death documentation exists that the person was a designated organ and tissue donor in accordance with the Uniform Anatomical Gift Act.
- **Surgical Reattachment Benefit:** In the event the employee or their spouse (or domestic partner if included) suffers a loss of limb by actual severance, and the limb is surgically reattached, this benefit will pay a portion of the covered person's Principal Sum. If the reattachment fails, the person's full Principal Sum minus the amount paid under this benefit would become payable.
- **Felonious Assault Benefit:** If an employee suffers a loss of life due to a felonious assault that occurs during the course of their employment with their employer, this benefit will pay an additional death benefit to the person's beneficiary.
- **Children's Double Indemnity Benefit:** If dependent AD&D Ultra is provided and a covered dependent child suffer a loss due to severance or paralysis, this benefit would double the amount of the benefit payment for the loss.

Product Related Services

Life Insurance

<p>Standard Life Claim Services</p>	<ul style="list-style-type: none"> ➤ <u>Customer Service</u>: We provide a toll-free number for customer service and for providing notification of death to Aetna ➤ <u>Claim Payments</u>: Clean claims are targeted to be processed within 5 business days of receipt by Aetna. ➤ <u>Benefit Payment Accuracy</u>: Target Claim payment accuracy rate of 98 percent. ➤ <u>The Online Life Claims System</u>: Provides plan sponsors with the ability to submit life claims and manage the life claims submission process online through the Employer Secure Website (ESW). ➤ <u>Beneficiary Payments</u>: Except where restricted by state regulations, benefits of \$5,000 or more are deposited into an Aetna Benefits Checkbook account in the beneficiary's name. The funds in the account are not FDIC insured but are guaranteed by Aetna Life Insurance Company. The account provides beneficiaries with "checkbook checks" that may be used to draw upon the account. If the beneficiary chooses to do so, they may write one single check for the full amount of proceeds in the account without penalties or fees. Aetna guarantees a minimum interest rate as set out in the policy or other applicable documents. The amount of interest earned will vary from week to week and will be disclosed in the monthly statements mailed via the U.S. Postal Service to beneficiaries showing account activity. The beneficiaries will earn interest on the benefits in the account as soon as the account is set up. The Aetna Benefits Checkbook account enables beneficiaries to take their time, if necessary, to determine how to use the benefit proceeds.
<p>Optional Life Claim Services</p>	<ul style="list-style-type: none"> ➤ <u>Online Evidence of Insurability</u>: The online EOI (evidence of insurability) Submission System provides members with the ability to complete their life and/or disability EOI form online rather than completing and mailing the paper form. Town of Mooreville would provide a standard Aetna EOI file. Aetna then creates and mails EOI packets to the employees. The EOI packet contains the EOI letter and the EOI form. EOI letter contains a unique link for the employee to submit EOI using the EOI Online system. Alternatively, the employee can use the EOI form to submit the EOI via mail/fax to Aetna
<p>Life and AD&D Ultra – Value Add Services</p>	<ul style="list-style-type: none"> ➤ <u>Aetna Life Essentials™</u>: All Life and AD&D Ultra quotes include Aetna Life Essentials (ALE). ALE gives employees access to resources they need while everything is good in their life, at the end of their life and after they've passed away, to help employees and their loved ones. ALE provides members with access to: <ul style="list-style-type: none"> ○ <u>Financial Planning Services</u>: Actives, retirees and those who have ported their coverage can have prepared on their behalf a personalized financial plan to help them meet their financial goals. ○ <u>Emotional Support</u>: For employee or spouses suffering from an end of life condition, we provide unlimited telephonic grief counseling services to the member, their family and caregivers if eligible for the accelerated death benefit. We also provide access to our Compassionate Care Website that allows the person or their caregivers to obtain information on how to deal with end of life issues. ○ <u>Physical</u>: For members who are eligible for Premium Waiver extension, have received a non-death payment under our AD&D Ultra benefit or who are suffering from an end of life condition, we provide direct access to a Licensed Social Worker who will personally assist the member with the struggles of having to deal with their disability or terminal illness, while advocating for their care and well being during a difficult period. We also provide members with access to vision, hearing, and fitness center discounts. ○ <u>Legal Estate Services</u>: If the employee or their spouse (or domestic partner, if included) is eligible for the Accelerated Death Benefit, we will provide them with access to in-office legal estate services. With the legal estate package an attorney will create or update their will, will execute durable or financial power of attorney forms, revocable living trust documents, tax planning, guardianship documents for minor children and/or provide legal representation for the sale of the member's primary place of residence. Also includes the Legal Reference Program as shown next.



Product Related Services

Life, AD&D Ultra and Disability –
Value Add Services

- Legal Reference™ Program: Through the Legal Reference Website, members have access to a free Basic Will program. Members can also create at no cost living wills, healthcare and durable financial power of attorney forms. Members also have access to information on identity theft prevention and a Victim Action Kit if a person's identity has been stolen. If the person is insured for supplemental life at the time they file for an accelerated death benefit, the person will also be eligible for free, in-office estate planning services consisting of document preparation, tax planning, uncontested guardianship arrangements and attorney representation for a real estate closing of the member's primary residence if the sale is due to the person's terminal illness. In-office attorney services may also be available to the executor of the person's estate in some instances.

Product Related Services

Life and AD&D Ultra

Effective Date	07/01/2011
Rate Guarantee	36 Months (07/01/2011 - 06/30/2014)
SIC Code	9111
Commissions	<ul style="list-style-type: none"> ➤ Basic Life Commissions: Included, 10% ➤ Optional Life Commissions: Included, 15% ➤ Producer Compensation <p>Aetna has various programs for compensating agents, brokers and consultants. If you would like information regarding compensation programs for which your producer is eligible, payments (if any) which Aetna has made to your producer, or other material relationships your producer may have with Aetna, you may contact your producer or your Aetna account representative. Information regarding Aetna's programs for compensating producers is also available at www.aetna.com.</p>
Funding Arrangement	<p><u>Basic Life</u>: Prospectively rated.</p> <p><u>Optional Life</u>: Prospectively rated.</p>
Premium Tax	Included in rates
Contract State	NC
Employee Eligibility Handling	Eligibility will be maintained by Town of Mooreville
Dependent Eligibility Handling	Eligibility will be maintained by Town of Mooreville
Basic Life Minimum Participation	100%
Optional Life Minimum Participation	44%
Definition of Earnings	<ul style="list-style-type: none"> ➤ <u>Commissioned Sales Force</u>: Total annual income, including commissions, averaged over a 12 month period or actual months of employment if less. ➤ <u>All others</u>: The employee's basic annual salary or wage, exclusive of bonuses, overtime or extra compensation.
Active At Work Rules	<ul style="list-style-type: none"> ➤ <u>Plan Effective Date – Actively Working Employees</u>: Existing coverage is transferred on a “no loss – no gain” basis. This means that an employee or participant will not be penalized or lose the benefits/provisions already attained before switching insurance carriers, nor will they gain any additional benefits/provisions for which they have not yet satisfied the requirements or are not yet eligible for. ➤ <u>Plan Effective Date – Disabled Employees</u>: Employees who are away from work due to a disability who are not covered under a prior carrier's premium waiver feature may have existing coverage transferred on a “no loss – no gain” basis. To do this Aetna requires the receipt of a list of disabled employees. This list should include life coverage amount, date of birth, and disability reason. Based on the review of this list Aetna reserves the right to make adjustments to the proposal. ➤ <u>Newly Eligible Employees</u>: If ill or injured, and away from work on the date that coverage would become effective, the effective date of coverage is delayed until the employee returns to full-time work for one full day.

Product Related Services

<p>Evidence Of Insurability Will be Required in the Following Situations</p>	<ul style="list-style-type: none"> ➤ <u>Exceeding the Guarantee Issue Amount</u>: Any amount above the guarantee issue amount that is listed in the Plan Design section of the proposal will require evidence of insurability. Evidence of insurability is not required due to an increase in salary that results in coverage above the guarantee issue amount. ➤ <u>Late Applicants</u>: Employees who enroll for any contributory Life coverage more than 31 days after the date they are first eligible, elect to increase their coverage, were previously declined for coverage, provided incomplete information, or, have applied for and received and accelerated death benefit payment will be required to provide evidence of insurability. ➤ <u>Increases in Coverage</u>: Employees who are currently enrolled for Optional or Dependent Life are allowed to increase the coverage by one level without having to provide evidence of insurability, provided the increase does not exceed the guarantee issue amount. ➤ <u>Reinstatement of Coverage</u>: Employees who voluntarily cancel Optional or Dependent Life will be required to provide evidence of insurability if coverage is again requested. ➤ <u>Rehired Former Employees</u>: If an employee is rehired after having terminated their employment, they will be subject to the same evidence of insurability requirements that apply to a person who has been hired for the very first time.
<p>Suicide Exclusion</p>	<ul style="list-style-type: none"> ➤ <u>Suicide</u>: The exclusion applies during the first two years of the person's coverage. The exclusion applies to Optional and Dependent Life coverage amounts that are elected at annual benefit election time (or at the time of a family status change) for the two-year period that immediately follows the buy-up. If the prior carrier plan included a suicide exclusion, credit will be given toward the two year limit for the period of time the person was covered under a the prior carrier's plan. The suicide exclusion also applies to increases in coverage for the first two years after the increase.
<p>Disability Provision</p>	<p><u>Premium Waiver</u>: With this provision, employee coverage may be continued without premium payments if an employee becomes totally and permanently disabled before age 60 and the disability lasts for at least 9 months. Premium Waiver will terminate the earlier of the date the employee reaches the amended 1983 Social Security Retirement Age or their date of retirement.</p>
<p>AD&D Ultra Exclusions</p>	<ul style="list-style-type: none"> ➤ No benefits are payable for a loss, or the accident which resulted in the loss, if the loss or the accident is the result of: A bodily or mental infirmity; a disease, ptomaine or bacterial infection, not a direct result of an accident; medical or surgical treatment, not needed as a direct result of an accident; suicide or attempted suicide; an intentionally self-inflicted injury; ligature strangulation resulting from auto-erotic asphyxiation war or act of war; voluntary inhalation of poisonous gases; commission of or attempt to commit a criminal act; use of alcohol, drugs or intoxicants, except as prescribed by a physician (when the person follows the dosage instructions); contact with nuclear or atomic energy; and air or space travel, unless a passenger without duties. (Exclusions vary by state)
<p>Conversion</p>	<ul style="list-style-type: none"> ➤ Is available when coverage terminates or is reduced because of age or retirement. Conversion is not available if the employee transfers from a higher to a lower earnings category/position; the employee requests a reduction to their coverage amount, the employer revises the life benefit schedule; the policy is discontinued and is replaced by another group policy. ➤ If the policy discontinues and is not replaced by other group life coverage or if the employer cancels the life coverage for the class of employees to which the employee currently belongs, the amount that can be converted will be limited to \$10,000. ➤ Conversion is available to dependents when they no longer qualify as a dependent. ➤ AD&D Ultra cannot be converted; however, when converting the life coverage, an employee will be given an opportunity to purchase a separate AD&D rider to the life conversion policy. ➤ The individual life conversion policy is a whole life policy. ➤ The premium and claim experience for these policies are no longer associated with the Life plan. However, the Life plan's claim experience is charged \$195 for each \$1,000 of converted coverage.

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<p>Portability</p>	<ul style="list-style-type: none"> ➤ The portability feature allows employees to take their coverage with them if they leave the company for reasons other than illness or injury. If the employee is away from active work due to illness or injury, portability will not be allowed (except NY) ➤ Coverage can only be ported due to loss of employment or when the employee is no longer part of a class of employees who are eligible for the life insurance coverage, except in a situation where the employer has gone out of business. ➤ Employees must port their coverage in order to port dependent coverage. ➤ The minimum and maximum portable coverage amounts are: employees -- \$5,000/\$500,000, spouses 1,000/\$100,000, children 1,000/\$5,000. Dependents are only eligible for portable coverage if employees participate. ➤ Ported coverage includes an age reduction rule. Coverage will be reduced to 65% at age 65; 40% at age 70 and 25% at age 75, but not below \$5,000. ➤ If the group plan included a Premium Waiver provision, the person may apply for Premium Waiver extension after porting their coverage. ➤ When electing portability, the employee may purchase an Accidental Death rider that's equal to the ported life amount (employee only). ➤ If the employee dies or divorces, dependent ported coverage will end. Conversion will not be available. ➤ Former employees may not increase their insurance coverage or add new dependents. ➤ Once coverage has been ported, any death claims are applied to the experience of our portability pool. ➤ If the master group policy is discontinued by the employer, the policy is deemed to remain in effect for individual who have ported their coverage. ➤ Once an employee ports their coverage, they remain subject to all of the plan provisions included in the master group contract, except that a person may not apply for an accelerated death benefit after having ported their coverage. ➤ The eligibility age for portable coverage for employees and spouses (or domestic partners) is age 98. ➤ The termination age is 99. An employee is eligible to port child coverage provided that the child is at least one year younger than the maximum child eligibility age for dependent life insurance. ➤ Portability rates are not the same as the group policy rates and are subject to change. ➤ Aetna will include a direct billing charge of \$2.00 in the premium notices if sent to former employees. ➤ Portability Pool rates are presented on a non-smoker/smoker basis in five-year age bands. Note that these rates are illustrative and are subject to change.
<p>Billing</p>	<ul style="list-style-type: none"> ➤ Summary Billing ➤ Aetna bills Optional Life Insurance on an age graded basis. It is expected that employee deductions will be taken based on these rates and aggregate insured volume will be reported monthly for each 5-year age bracket. The proposed rates may be subject to imputed income under Section 79 of the Internal Revenue Code. Please consult your tax counsel on this matter.
<p>Takeover Claims</p>	<ul style="list-style-type: none"> ➤ We agree to underwrite the program to avoid employee loss of coverage (i.e., we will cover on a no loss/no gain basis). This means that an employee or participant will not be penalized or lose the benefits/provisions already attained before switching insurance carriers, nor will they gain any additional benefits/provisions for which they have not yet satisfied the requirements or are not yet eligible for. ➤ For plans that currently have a premium waiver provision in place, we assume that pending, as well as known claims for disabled employees (i.e., premium waiver claims), are the responsibility of the prior carrier.



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Additional Assumptions	<ul style="list-style-type: none">➤ Quotes are based on the assumptions that all information provided to Aetna is correct and complete, that the employer is a legitimate employer group and that the group is in sound financial condition.➤ Our quote assumed that both employer and employee paid benefits are compliant with ERISA regulations.➤ We reserve the right to re-calculate our rates/fees if there is a 10% change in lives, volume, or plan design. Or if there is a material difference between the actual information submitted on the effective date and that submitted for use in preparing this quotation.➤ We reserve the right to recalculate our rates/fees if there is a statutory or regulatory requirement mandating the change of any benefit provision or administration, for example the elimination or restriction of a plan's ability to offset or reduce payable disability benefits by other income, including SSDI amounts.➤ Notification of acceptance of the proposal must be communicated in writing to Aetna no later than the earlier of 90 days from the date of this proposal and 30 days prior to the effective date. Otherwise, late acceptance may cause a delay in contract issuance and other pertinent insurance information. Late submission may also result in an invalid proposal and require postponement of the effective date.➤ The rate guarantee is subject to the policy's termination provision.➤ AD&D Ultra benefits cannot be purchased without the purchase of Basic Life.➤ The enclosed group insurance rates assume that Aetna is the insurer for the life product for the policy year. Should Aetna not be the insurer for the group insurance product, the enclosed rates are subject to change.
Deviations	<ul style="list-style-type: none">➤ Our insurance contracts are filed with and regulated by the states in which they are insured. While having made every attempt to match the exact plan provisions specified in the request for proposal, some variations due to filing requirements are unavoidable.➤ Please note that compliance with ADEA is the responsibility of the plan sponsor.➤ Unless otherwise stated, the proposal is based on Aetna standard benefits.

Life benefits are underwritten or administered by Aetna Life Insurance Company (ALIC). This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of plan or program benefits and does not constitute a contract. Consult your Group Insurance Certificate to determine governing contractual provisions, including procedures, exclusions and limitations relating to your plan. All the terms and conditions of your plan or program are subject to applicable laws, regulations and policies. While this material is believed to be accurate as of the print date, it is subject to change without notice. In case of conflict between your plan documents and this information, the plan documents will govern.

